

THE EVENING FARMER

Published at 27 Fairfield Avenue,
Bridgeport, Conn.

THE FARMER PUBLISHING CO.

Entered in the Postoffice at Bridgeport
Conn., as second class matter.

ISSUED DAILY EXCEPT SUNDAY

SUBSCRIPTION RATES

DAILY EDITION:
One Year \$3.00
One Month25
One Week06
WEEKLY EDITION:
One Year in Advance \$1.00

New York Office, 225 Fifth Avenue
(Brunswick Building), Room 404
C. A. MENET, Representative.



THURSDAY, JUNE 24, 1909.

ALL DUE TO EXTRAVAGANCE.

Another and more detailed statement of the features of the proposed tax on corporate incomes, comes from Washington. They may be summarized as follows:

All corporations organized for profit and having capital stock, to be taxed 1 per cent. on net incomes of over \$5,000.

They must report to special agents of the Internal Revenue bureau their gross receipts, capital stock, bonded and all other visible indebtedness, also their net receipts after deducting expenses, interest on bonds to the amount of their capital stock, interest on notes and other indebtedness, actual losses not compensated for by insurance, salvage, etc., bad merchandise accounts, losses on securities held by banks and all bad debts usually charged off to profit and loss account.

The penalty for false reports is to be a fine of from \$1,000 to \$5,000, to be determined by the U. S. courts.

The new law is to go into immediate effect, with the tax payable on July 1, 1910. Its duration is indeterminate.

Included in the taxable corporations are mutual and fraternal insurance companies if organized for profit.

Such are the principal features of the proposed tax, at present, but they may be somewhat, or even materially, changed by Congress.

New taxes are not popular; they have been known to overthrow strong Cabinets in other countries. But the American people are singularly patient under their burdens; were they not, how long would existing and proposed tariff inequities survive? Only until the next election!

But this proposed tax does not bear directly upon the people and may escape their attention. Indirectly, however, it will reach the thrifty among them, for it will reduce the interest-bearing resources of savings banks and the dividend-declaring ability of corporations, besides cutting down the market value of securities.

And it must all be charged back to extravagant governmental expenditures.

SENATE BOWS TO BEEF TRUST.

The present tariff duty on hides weighing over 35 pounds is 15 per cent.; the House voted to put them on the free list; the Senate has voted, by 46 to 36, in favor of retaining the present duty. It has been conclusively proven by Ex-Gov. Douglas of Massachusetts that the tariff duty does not increase the prices paid to cattle-growers and fatteners, but benefits only the Beef Trust, hides being one of its by-products. Outside of the cattle men who are mistaken in their views of the matter, and the Beef Trust which is the sole beneficiary of the duty on hides, no one desires retention of the 15 per cent. duty; all wish its repeal, in order to lessen the cost of leather production and thus cheapen the prices of such necessities as shoes, harness, etc. There are scores of millions of the American people who are interested in free hides and the results, against a few dozen who wish to maintain hides, leather, shoes, harness, etc., at unnecessarily high prices. The Senate evidently does not accept the principle of "the greatest good to the greatest number," but does believe in extending such good to the fewer number, particularly when the latter includes one of the largest, wealthiest and most greedy of the trusts.

For several years, the Beef Trust has been absorbing leather tanneries and, with its control of the domestic supply of hides and with a tariff duty on foreign hides, is already in a position which seriously threatens the independent tanneries, and which will probably, at no distant date, enable it to compel them to sell at its price or close up. Then, it will be able to dictate the prices of leather to manufacturers of shoes, harness, etc., and consumers of meat products—that is, the whole people—can easily conjecture from experience the result. The rapid increase of already swollen fortunes, at the cost of the people, would be the effect.

But the Beef Trust will not be satisfied, it is said, even with that, and will then proceed to absorb the shoe factories of the country.

The ordinary mind finds itself unable to uncover any valid reasons why Congress should persist in inflicting such grievous misfortune upon the American people—there is no reason except subservience to corporate greed.

A feeling of Discomfort

To the eyes while wearing glasses is an indication that your glasses are wrong. Perhaps your eyes have changed since they were last examined. G. W. Fairchild & Sons, 297 Main St., have the finest facilities for eye examination and the proper fitting of glasses. They are sole agents for the Atlas Shur On Eye Glass.

No matter what you want try the Shur On Eye Glass.

AN ARGUMENT IN FAVOR OF PUBLIC UTILITY COMMISSION

By the State Business Men's Association of Connecticut.

What is the Public Utilities Bill recommended by the Temporary Commission?

(1) It is a bill providing for a small state commission to supervise, in the interest of the people, public service corporations, viz: railroads, street railways, telephone companies, gas companies, electric light and power companies, water companies, telegraph companies, and express companies.

(2) It is a bill providing a method by which charter rights may be granted to persons who will use them to supply the public with needed service.

(3) It is a bill recodifying the existing laws relating to public service corporations.

(4) It is the most important bill which has been presented to the Connecticut legislature in more than a hundred years.

Who Prepared the Public Utilities Bill?

A temporary commission appointed by the General Assembly of 1907. The members of this temporary commission were:

(1) Marcus H. Holcomb, Attorney General; recently appointed Judge of the Superior Court; President, Southwestern Savings Bank; Director, Southwestern National Bank; Peck, Stowe & Wilcox Co.; Southwestern Cutlery Co.; Aetna Nat. Co.; Speaker of the House of Representatives in 1905.

(2) Thomas D. Bradstreet, State Comptroller; Vice President, Director and Manager of Seth Thomas Clock Co.; President, Thomaston Water Co.; Director, Thomaston National Bank.

(3) Charles Phelps, Member of House of Representatives, 1885; Member of Senate, 1888; Secretary of State, 1897-1899; Attorney General, 1899-1902; Delegate to State Constitutional Convention; Director, Rockville National Bank.

(4) E. H. Woodward, President, Dime Savings Bank, of Hartford; Vice President, Connecticut Life Insurance Company; formerly Chief, Social Agent of Post Office Department; First Secretary, Hartford Board of Trade.

(5) Washington F. Wilcox, deceased; former Railroad Commissioner; leading Attorney in Middlesex County.

(6) The Public Utilities Bill was prepared by the State Business Men's Association, representing 36 local organizations, over 4,000 firms, and over 15,000 business men.

(7) The State Grange.

(8) All the labor organizations which have carefully considered it.

(9) Practically the entire press of the state.

(10) Ex-Gov. Woodruff, and the late Gov. Lilley.

(11) Some of the Public Service Corporations.

Who Opposes the Public Utilities Bill?

The New York, New Haven & Hartford Railroad Company. Some of the other corporations affected. The promoters. The paid lobby at the legislature.

Does the Public Utilities Bill mean one more Commission?

No. It substitutes one efficient commission for ten more or less inefficient commissions.

Is the Public Utilities Bill an Experiment?

No. Commissions similar to that proposed have been in successful existence in Massachusetts for more than a quarter of a century. Neither the people nor the legislature of that state ever think of abolishing them.

Does the Public Utilities Bill give any Powers to the Proposed Commission not now held by Existing Commissions?

Yes. The new powers proposed are:

(1) Power to supervise the issue of securities by public service corporations.

(2) Power to audit books of public service corporations.

(3) Power to inspect electric light meters as well as gas meters, on request.

(4) Power to require repairs necessary for public safety or safety of employees.

(5) Power to fix (or recommend) rates chargeable by public service corporations when existing rates are unreasonable.

(6) Power to grant to corporations the rights necessary to enable them to supply the public with needed service.

Does the Public Utilities Bill contain anything else?

Yes. It contains a recodification of all existing laws which relate to public service corporations. This recodification comprises 80 per cent of the entire bill.

Why should Power to Supervise the Issue of Securities by Public Service Corporations be given to a State Commission?

(1) Because many of these securities are legal investments for savings banks, insurance companies, trustees, etc.

(2) Because many people invest their own small savings in these securities.

(3) Because otherwise some of these corporations will continue to issue securities which do not represent value received, and will unload these securities on innocent investors. Connecticut does not wish an Interborough-Metropolitan scandal.

(4) Because otherwise some of these corporations will continue to be grossly over-capitalized, to the detriment of the public.

Are any of these Corporations Now Over-Capitalized?

Yes. The Connecticut Railway & Lighting Company was formed by combining nine plants. The total capital stock, bonded and floating debt of these corporations was less than \$8,000,000. The Connecticut Railway & Lighting Company issued \$3,250,000 of bonds and \$15,000,000 of stock merely on the strength of this consolidation.

The Consolidated Railway Company issued over \$12,000,000 of stock and bonds per mile of trolley road owned, prior to its merger with The New York, New Haven & Hartford Railroad Company. Independent companies in this state (excluding The Connecticut Railway & Lighting Company and The Consolidated Railway Company) issued less than \$43,000 per mile of trolley road owned. Massachusetts companies issue an average of less than \$50,000 per mile of trolley road owned.

The Shore Line Electric Railway Company has \$3,000,000 of stocks and bonds, and it says its property is worth less than \$250,000.

Some of our gas and electric light companies are equally over-capitalized, but their figures are not published. Does this Over-capitalization Injure the Public?

Yes. The Connecticut Railway & Lighting Company is paying 4 per cent dividends on the \$15,000,000 of stock issued, as above stated. The people of Connecticut are furnishing \$600,000 a year to pay these dividends.

The Consolidated Railway Company (now merged with The New York, New Haven & Hartford Railroad Company) is paying interest on all its bonds, and 8 per cent on its stock. The public is furnishing over \$1,250,000 a year to pay the interest and dividends on the excess part of the capitalization of this company's trolley roads.

The facts about the gas and electric light companies are not published. The interest and dividends on excess

capitalization are paid in cash. The cash comes from the trolley fares, gas bills, etc., paid by the public.

Public service corporations are entitled to a liberal return upon a fair capitalization, viz: the actual cost of building the plant and supplying the equipment, and working capital.

Why are Public Service Corporations Not Entitled to pay Dividends on Excess Capitalization?

Public service corporations are different from private corporations.

Special privileges are always granted to public service corporations. These special privileges are of two kinds:

(1) The right of eminent domain, viz: the right to take land, even if the owner does not wish to sell; (2) the right to place conduits for the roadway, or poles and wires above the roadway.

These special privileges are not allowed ordinary private corporations. In return for these special privileges public service corporations agree, as a matter of common law, to supply the public with reasonable service at reasonable rates.

Special privileges are given to public service corporations to enable them to furnish reasonable service (viz: gas or electricity or water or transportation) to the public at reasonable rates.

Public service corporations are, therefore, monopolies.

Special privileges can be granted to only a few. There is not room in the highways for numberless pipes or trolley tracks.

The large cost of the necessary plants and equipment makes duplication of plants undesirable.

As public service corporations are monopolies, the public will be forced to purchase gas, electricity, water, transportation, etc. from one particular corporation or go without. This is not true of ordinary private corporations.

It is because public service corporations are given special monopolistic privileges for the purpose of furnishing the public with needed service that they are legally bound to supply reasonable service at reasonable rates.

A rate is not ordinarily reasonable if it does not allow the corporation to pay a liberal return upon a fair capitalization, viz: upon the actual cost of building its plant and supplying its equipment and working capital.

Why do Dividends and Interest on Excess Capitalization Injure the Public?

Dividends (or interest) of \$400,000 (or \$1,500,000 per year on excess capitalization) mean that the corporation is making an annual profit of \$400,000 (or \$1,500,000) after paying all operating expenses plus a just return on the actual cost of building its plant and supplying its equipment and working capital.

Dividends and interest are paid in cash and from net income. Net income equals gross income—operating expenses. Gross income equals total fares paid by the people plus the profit on excess capitalization.

Excess gross income means excessive rates. Unduly low operating expenses means unduly poor service.

If rates are fair in Connecticut, is service good? Do dividends on excess capitalization mean excessive rates or poor service? Does it explain why 25 trolley tickets are not sold for a dollar? Does it explain why we are compelled to stand in trolley cars at rush hours? Does it explain poor gas and high gas bills?

Dividends on excess capitalization must mean either excessive rates or needlessly poor service—unless dividends are improperly paid from capital—and that means bankruptcy and loss to investors.

Why are Public Service Corporations Over-Capitalized?

(1) In order to conceal from the public the corporation's actual profits; 4 per cent on \$24,000,000 does not seem to the public so large as 12 per cent on \$2,000,000; 8 per cent on \$15,000,000 does not appear so large as 20 per cent on \$500,000.

(2) In order to pay promoters profits. If the actual cost of a trolley road is paid by the bond issue sold to the public and the promoters all give to the promoters the promoters can make a large profit by paying a few dividends on the stock to themselves and then unloading the stock on the public on the basis of earning capacity. This was the method pursued by the "ring" in the Interborough-Metropolitan scandal. Who paid the losses? The same thing has been done, and possibly is now being done, in Connecticut.

Why Should Power to Audit Books of Public Service Corporations be Given to a State Commission?

(1) For the same reasons that like powers to examine the books of insurance companies, savings banks, building and loan associations, commercial banks, etc., are now given to state commissions.

(2) Because the small investors have no other means of obtaining accurate information about the financial affairs of these corporations.

(3) Because the public is asked to purchase the stocks and bonds of these corporations.

(4) Because trust funds are invested in the securities of these corporations.

(5) Because there is no other method for preventing possible dishonest use of the funds of these corporations.

(6) Because there is no other method for ascertaining the facts as to capitalization, income or operating expenses.

(7) Because there is no other method for ascertaining whether the charges made by these corporations are reasonable.

(8) Because such audits would benefit honest and fair corporations, and expose dishonest and unfair corporate managements.

Why Should Power to Inspect Electric Light Meters be Given to a State Commission?

(1) For the same reasons that a like power to inspect gas meters has been given to a state official. Why distinguish?

(2) To protect the householder who has no means of making such inspection himself.

Why Should Power to Order Repairs for Public Safety be Given to a State Commission?

(1) Because half a thousand railroad employees are killed or injured in Connecticut every year.

(2) Because accidents on railroads and trolleys in Connecticut have increased 180 per cent in five years, while road mileage has increased only 15 per cent.

(3) Because dangerous electric wires are now stretched through all our highways.

(4) Because past experience has indicated no other method for obtaining these repairs.

(5) Because legislation is not effective unless accompanied by inspection and enforcement.

Why Should Power to Fix (or Recommend) Rates Chargeable by Public Service Corporations be Given to a State Commission?

(1) Because public service corporations are monopolies. The charges of ordinary corporations are fixed by competition. This is not true of public service corporations.

(2) Because public service corporations are given special privileges on an implied agreement that they will supply service at reasonable rates. The people are entitled to have this agreement enforced.

(3) Because the determination of such complex and difficult problems requires experience, study, time, and expert knowledge.

Why Should Power to Grant Necessary Privileges to Public Service Corporations be Given to a State Commission?

(1) Because this is necessary if public service corporations are to be formed under general law.

(2) Because it will largely abolish the legislative lobby.

(3) Because it will stop the evil of unused and "hold-up" charters.

(4) Because it can be more satisfactorily exercised by such a Commission than by the legislature.

Why is a Commission Better than the Legislature for the Purpose?

(1) Because it will be always in session.

(2) Because it will be few in number.

(3) Because it will be composed of men representing state interests—not local interests.

(4) Because it will be composed of experienced members.

How Can We Be Sure that the Commission Will Deal Fairly by the People?

(1) Because its members will be appointed in the same manner as Judges of the Superior Court.

(2) Because its members will be adequately paid and high grade men.

(3) Because its members will be few in number and constantly in the public eye.

(4) Because its members will be responsible for their acts to the Governor and to the Senate and to the House of Representatives.

(5) Because its members will be subject to removal by the courts for cause.

(6) Because its decisions must be in writing and state the reasons therefor.

(7) Because its decisions will be subject to popular criticism.

(8) Because its decisions will be subject to appeal if illegal.

Take ONE of the Little Tablets and the Pain is Gone

25 Doses 25 Cents

Your Druggist sells Dr. Miles' Anti-Pain Pills and he is authorized to return the price of the first package (only) if it fails to benefit you.

"If it's made of Rubber we have it."

BARNES BICYCLES \$22.50

Fitted with New Departure Coaster Brake, Bridgeport Pedals, Forward Extension Bars, Spring Saddle, Goodrich or New Oxford Guaranteed Tires.

GARDEN HOSE

Three Quarter Inch... \$c to 18c foot
Half Inch... \$c to 18c foot
Hose Reels... \$75c to \$1.25

BASE BALL GOODS

Victor League Balls... \$1.00
D. & M. League Balls... \$1.00
Harwood League Balls... 85c
Gloves... 25c to \$4.00
Catchers' Mitts... 25c to \$7.00
Chess Protectors... \$2.00 to \$6.00
Baseball Shoes... \$2.50
Bats... 5c to \$1.00

AUTOMOBILE TIRES and ACCESSORIES

Large Stock! Lowest Prices!

The Alling Rubber Co. 1127 MAIN ST.

AS WELL AND AS MUCH

No merchant ever failed if he advertised as WELL and as MUCH as he could.

BRIDGEPORT BUSINESS COLLEGE

R. S. CUNNINGHAM, PROP.
COURT EXCHANGE BUILDING.
TEL. 1335. OPEN EVENING

HARVESTING TOOLS

WALTER A. WOOD MOWERS, TEDDERS, HAY RAKES, REAPERS, SCYTHES, SNATHS, Etc.
The best Lawn Mower in town; price right

FARMERS' SUPPLY & ROOFING CO. 256 MIDDLE STREET

Cut Glass

of the latest designs and done by hand, especially appropriate for wedding gifts is displayed here in abundance.

PARKER, Jeweler, 9 Arcade

Money to Loan on

HOUSEHOLD GOODS FROM \$10.00 UP at the lowest rate possible

Confidential dealings Private rooms for consultation CALL PHONE OR WRITE HOUSEHOLD LOAN CO.

Room 300-302 Meigs Bldg. Third Floor. Open Evenings

Ask your grocer for Bradbury's Old-Fashioned Grinders

HEADACHE NEURALGIA

Take ONE of the Little Tablets and the Pain is Gone

25 Doses 25 Cents

Your Druggist sells Dr. Miles' Anti-Pain Pills and he is authorized to return the price of the first package (only) if it fails to benefit you.

"If it's made of Rubber we have it."

BARNES BICYCLES \$22.50

Fitted with New Departure Coaster Brake, Bridgeport Pedals, Forward Extension Bars, Spring Saddle, Goodrich or New Oxford Guaranteed Tires.

GARDEN HOSE

Three Quarter Inch... \$c to 18c foot
Half Inch... \$c to 18c foot
Hose Reels... \$75c to \$1.25

BASE BALL GOODS

Victor League Balls... \$1.00
D. & M. League Balls... \$1.00
Harwood League Balls... 85c
Gloves... 25c to \$4.00
Catchers' Mitts... 25c to \$7.00
Chess Protectors... \$2.00 to \$6.00
Baseball Shoes... \$2.50
Bats... 5c to \$1.00

AUTOMOBILE TIRES and ACCESSORIES

Large Stock! Lowest Prices!

The Alling Rubber Co. 1127 MAIN ST.

AS WELL AND AS MUCH

No merchant ever failed if he advertised as WELL and as MUCH as he could.

Royal Hotel STATE ST.

BOTH PLANS AT REDUCED RATES
CAFE, POOL AND BILLIARDS IN BASEMENT

RELIABILITY

In Optical work means close attention to detail, carefully ground and centered lenses.

RELIABILITY is what Lyman's service means to you.

F. LYMAN, Optician

920 MAIN ST. Est. 1875

Cameras and Photo Supplies

Hotel Broezel

BUFFALO, N. Y.

Elegantly Refurnished

Redecorated Throughout

Strictly First Class

American Plan

Unexcelled Cuisine

Rates \$3 and \$3.50

CHAS. E. IHLE, Manager

</